(*f*) their pay and grades ?

A.—**The SECRETARY to GOVERNMENT, ELECTRICAL DEPARTMENT (Sir Harold N. Colam).**—

(*a*) Chief Operators—Nil.
Line Inspectors of Transmission Lines and Lamp and Line Inspectors of Distribution Systems—65.

(*b*) and (*c*) *Vide* Appendix.

(*d*) None.

(*e*) and (*f*) Does not arise.

Mr. A. VENKATARAMANA BOYI.—From the answer, it is evident that no one belonging to the Gangakula community has been appointed so far as Chief Operator or Line Inspector. There are only two or three employees on small salaries. Will the Government be good enough to encourage members of this community by appointing them to higher posts in the Electrical Department ?

The FIRST MEMBER (Rajamantrapravina N. Madhava Rau).—If they apply for specific vacancies in the Department, their cases will be considered on merits.

Limited Liability and Unlimited Liability Co-operative Societies.

Q.—63. **Mr. A. N. RAMA RAO (Special Interests).**—

Will the Government be pleased to state :—

(*a*) (i) how many limited co-operative societies are in the State and (ii) how many are unlimited ;

(*b*) (i) how many societies are indebted to the Apex Bank and (ii) how many of them have lent moneys on the security of lands ;

(*c*) whether they are aware of the fact that there are heavy arrears due to the Apex Bank by the indebted societies ;

(*d*) whether they have thought of any extra coercive measures to collect the same, apart from the usual procedure ;

(*e*) whether they have thought of granting permission to the Registrar of Co-operative Societies for attaching standing crops on such lands—a concession that is granted to the Land Mortgage Bank ?

A.—**The SECRETARY to GOVERNMENT, GENERAL DEPARTMENT (Mr. J. Appaji Gowda).**—

(*a*) (i) Number of Limited Liability Societies ... 552
(ii) Number of Unlimited Liability Societies ... 1,347
Total ... 1,899

(*b*) (i) Number of societies indebted to the Apex Bank ... 376
(ii) Number of these societies which have granted loans on the security of lands ... 343

(*c*) Yes.

(*d*) and (*e*) The question is under examination.

Mr. A. N. RAMA RAO.—There are a number of unlimited liability societies working in the State. Is the principle of unlimited liability being enforced in their cases ?

Mr. J. APPAJI GOWDA.—Notice.

Mr. A. N. RAMA RAO.—What action has been taken so far against the societies that have taken loans from the Apex Bank and have defaulted in the matter of repayments ?

The SECOND MEMBER (Mr. K. V. Anantaraman).—The usual steps are being taken by the Revenue Department.

Mr. A. N. RAMA RAO.—Are the Government aware that the steps so far taken have not resulted in recovering the arrears ?

Mr. K. V. ANANTARAMAN.—That may be due to very many causes.

Mr. A. N. RAMA RAO.—Have not the Apex Bank authorities been requesting Government for permission to attach standing crops ?

Mr. K. V. ANANTARAMAN.—Even that may not result in recovering all the arrears.

Mr. A. N. RAMA RAO.—Why not ?

Mr. K. V. ANANTARAMAN.—The old arrears can only be recovered if there is sufficient security. Attachment of crop can only be for the purpose of recovering the arrears for a particular year.

Mr. A. N. RAMA RAO.—Then, how are the old arrears to be collected at all ?

Mr. K. V. ANANTARAMAN.—By execution proceedings.

Mr. A. N. RAMA RAO.—Are the Government aware that the Apex Bank have bought the lands in auction and have been paying the assessment thereon without any return from them ?

Mr. K. V. ANANTARAMAN.—It is true, but what could Government do if the Bank purchases such lands ?

Mr. A. N. RAMA RAO.—Cannot Government auction them out and help the bank to recover its dues ?

Mr. K. V. ANANTARAMAN.—If there be bidders enough, that could be done.

Mr. A. N. RAMA RAO.—Was any attempt made in that direction so far ?

Mr. K. V. ANANTARAMAN.—Certainly. The usual procedure is that notices are issued to the Secretaries of the societies concerned and they bring the bidders. It is only if no bidders come that the Apex Bank itself purchases the lands.

Mr. A. N. RAMA RAO.—And after purchasing, they have to pay kandayam without any return from the land ?

Mr. K. V. ANANTARAMAN.—The land should be adequate security for any loan which the Bank advances. All this trouble would not have arisen if loans had been granted with greater care and after sufficient scrutiny.

Mr. A. N. RAMA RAO.—Why not attachment of crops be allowed ?

Mr. K. V. ANANTARAMAN.—It applies only to one year's arrears and not to accumulated arrears. If any institution thinks that it could recover all accumulated arrears by means of crop attachment, it will be disappointed. Giving relief to the Apex Bank is no doubt under consideration, but attachment of crop cannot give full relief.

Mr. S. RAMAPPA.—What is the percentage of unlimited societies that are being liquidated every year ?

The REGISTRAR of CO-OPERATIVE SOCIETIES (Mr. M. Abdul Hukh).—Notice.

Mr. S. RAMAPPA.—After a society is liquidated, is action taken to enforce the responsibility of the directors by surcharging them ?

Mr. M. ABDUL HUKH.—Yes, if a case for surcharge is made out.

Mr. S. RAMAPPA.—What is the percentage of collections every year ?

Mr. M. ABDUL HUKH.—Notice.

Mr. S. RAMAPPA.—Do the Department consider that the amount so collected is a sufficiently big amount ?

Mr. M. ABDUL HUKH.—We do not think so.

Mr. S. RAMAPPA.—Has it come to the notice of Government that in some cases of liquidation, members of the societies are made to pay hundreds of rupees though they had taken no loans ?

Mr. M. ABDUL HUKH.—Joint responsibility, which is one of the essential characteristics of unlimited liability societies, is enforced. But I am not aware of any heavy sums being recovered from ordinary members of the societies.

Mr. S. RAMAPPA.—Unfortunately, many people do not know the rules and without knowing the implications of unlimited liability, they become members and suffer in the end.

Mr. K. V. ANANTARAMAN.—It may be the mistake of those concerned in not explaining to the prospective members the implications of membership in such societies.

Mr. S. RAMAPPA.—Is it not possible to do away with unlimited liability societies and have only limited liability societies ?

Mr. M ABDUL HUKH.—It rests with the members to get them converted into limited liability societies.

Mr. N. SONNAPPA.—What is the object of having Inspectors of Co-operative Societies ? Are they not inspecting the accounts ?

Mr. K. V. ANANTARAMAN.—They are. But if everything is to be done by the Inspectors, what is the responsibility of the directors ?

Mr. M. ABDUL HUKH.—Co-operative Societies are self-governing institutions. The work of the Inspectors is only to audit the accounts and to give instructions to the directorate.

Mr. B. L. BYANNA.—Who disposes of loan applications ?

Mr. M. ABDUL HUKH.—The managing committee.

Mr. B. L. BYANNA.—When sanctioning loans, will not the committee

consider whether the applicant is or is not in a position to repay the loan in instalments regularly and whether there is any way of recovering the loan in case of default ?

Mr. M. ABDUL HUKH.—The committee does consider all these points.

Mr. B. L. BYANNA.—And if any amount is not recovered, the committee must take the consequences, is it not ?

Mr. M. ABDUL HUKH.—Yes.

Mr. B. L. BYANNA.—Under the rules and orders in force, cannot the dues be recovered from the committee members of unlimited liability societies ?

Mr. M. ABDUL HUKH.—They can be recovered.

Mr. B. L. BYANNA.—Have you been enforcing those rules and orders ?

Mr. M. ABDUL HUKH.—If the committee members do not discharge their responsibilities, the department can surcharge them, in cases coming under Section 42A) of the Mysore Co-operative Societies Act.

Mr. B. L. BYANNA.—Has any action been taken in this direction so far ?

Mr. M. ABDUL HUKH.—If the societies make a request to that effect, the department can consider whether such action is necessary.

Mr. K. VENKATARAMIAH.—Will there be any objection to convert unlimited liability societies into limited ones if such a request is made by the members of the said societies ?

Mr. M. ABDUL HUKH.—There will be no objection, provided the loans due by them and deposits held by them are paid up.

Mr. G. KANCHAPPA.—Is it not possible for the Department to convert the societies into limited societies and then recover the loans on lines similar to those adopted under the mortgage scheme ?

Mr. K. V. ANANTARAMAN.—That is not possible.

Mr. G. KANCHAPPA.—Why should it not be done, if necessary by amending the law so as to provide for the collection of arrears by the Department itself ?

Mr. K. V. ANANTARAMAN.—It is a nice suggestion indeed—the societies to give the loans and the Department to collect them !

Mr. G. KANCHAPPA.—Is it not at least necessary that the Department should have some control in the matter of collections ?

Mr. K. V. ANANTARAMAN.—That, there is even now.

Mr. G. KANCHAPPA.—If the Department collects the dues regularly, would not poor people be helped to some extent ?

Mr. K. V. ANANTARAMAN.—Collection is the look-out of the societies which have lent moneys. Government cannot interfere too much in the working of these institutions.

Mr. G. KANCHAPPA.—Under the existing rules and orders, is there sufficient scope for the societies to recover all the amounts due to them ?

Mr. K. V. ANANTARAMAN.—If necessary, we can give them powers similar to those under the land mortgage bank scheme in regard to this matter. But that would involve amendment of the existing Act. The question is under consideration.

Mr. G. S. SUBBA RAO.—Is it not possible to have two Inspectors for each locality as in British India, one for auditing the accounts and giving advice to the societies and the other for collection of dues, etc. ?

Mr. K. V. ANANTARAMAN.—What is being done in the State is not being done in British India. For example, while coercive processes are to be taken through the civil courts there, that work is being done by the Revenue Department here.

Mr. M. ABDUL HUKH.—The Inspectors have no powers to collect. Once there is a decree, it must be executed either by the Revenue Department or the civil courts. The utmost that an Inspector could do in the matter of collection is to use his influence and get the dues discharged.

Mr. G. S. SUBBA RAO.—The Apex Bank has given loans to societies many of which are defaulters. Therefore, will it not be possible to have two Inspectors one for collection of arrears and the other for supervising the work of the societies ?

Mr. K. V. ANANTARAMAN.—That is against the spirit of the movement. As

a matter of fact, the times require that the movement should be de-officialised.

Mr. Shampur PAPANNA.—At present, people do not know even the difference between limited and unlimited liability societies. Will the Department therefore make some arrangement to see that the difference between the two kinds of societies is made known to the public ?

Mr. K. V. ANANTARAMAN.—That is more appropriately the work of the Propagandist Institute.

Mr. M. SUBBAIYA.—Are any qualifications prescribed for people who stand for election to the directorate ? And are their liabilities and responsibilities clearly laid down ?

Mr. K. V. ANANTARAMAN.—If they give loans without proper enquiry, they may be surcharged. But if responsibilities and liabilities of directors are to be the only consideration and they are enforced in all cases in which the loans are not recovered, then the directors may not at all grant loans to anybody.

Mr. M. SUBBAIYA.—Is it not possible to prescribe some qualification for directors such as the minimum number of shares they should hold, etc., as in the case of joint-stock companies ?

Mr. K. V. ANANTARAMAN.—Government will consider that suggestion.

Mr. J. ASWATHANARAYANA RAO.—When the Apex Bank brings up a land for auction, people do not come forward to bid in such auctions owing to certain defects in the existing rules, the chief of them being that the auction purchaser does not get possession of the land immediately. The party will have to get effective possession only through a competent civil court. The Co-operative Societies Act should be so amended as to remedy this defect. The Amildar should ask the debtor to come to the spot and hand over possession of the land to the auction purchaser, and if the debtor fails to do so, a record to that effect should be made and further action taken.

Mr. M. ABDUL HUKH.—That can be done even now, under the Civil Procedure Code.

Mr. K. V. ANANTARAMAN.—Possession under the Co-operative Societies Act means possession as provided for under the Land Revenue Code.

Mr. K. VENKATASWAMY IYER.—If the societies so desire, the Registrar's decrees can be transferred to civil courts for execution. If that is done, there will not be much trouble about possession.

Mr. K. V. ANANTARAMAN.—The rule on this point is clear. There is no flaw in the law. It says:—

"Where any lawful purchaser of immovable property sold under Section 161 or by the operation of Section 193 is resisted or obstructed by any person in obtaining possession of the property, he may make an application together with the certificate of sale granted under Section 187 to the civil court having jurisdiction over the property, complaining of such resistance, or obstruction. Such court shall proceed to investigate the matter as if the property were purchased by the applicant at a sale held by that court."

Mr. J. ASWATHANARAYANA RAO.—But the Amildars do not give actual possession. They sit in their offices and insist upon the decree-holder to give a certificate to the effect that possession has been given to him as auction purchaser.

Mr. K. V. ANANTARAMAN.—What is meant by "actual possession" ? Can the Amildar lift the land and give it to the purchaser ?

Mr. N. MADHAVA RAU.—What you say applies as well to all cases in which the right, title and interest is sold not merely for arrears of Co-operative Societies but also for Government arrears.

Mr. K. V. ANANTARAMAN.—Any possession that anybody or authority may give can only be through papers. If the judgment-debtor is a powerful man, he will resist the auction-purchaser getting to the land. The only remedy in such cases is to have recourse to Section 187 (*a*) of the Land Revenue Code. I do not agree that possession obtained through civil courts is always easily got. But if you want, you can certainly go to civil courts.

Mr. J. ASWATHANARAYANA RAO.—Under Sections 96 and 97 of the Civil Procedure Code, there will be *tom-tom*, and possession is always formal and generally effective. Why not make use of that section ?

Mr. K. V. ANANTARAMAN.—We will have that suggestion examined.